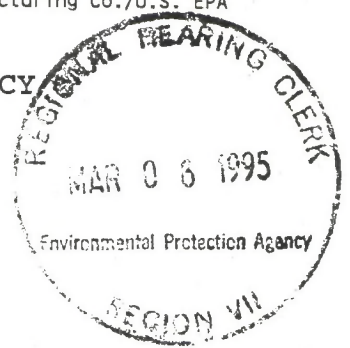


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION VII
726 MINNESOTA AVENUE
KANSAS CITY, KANSAS 66101



IN THE MATTER OF:)

Knapheide Manufacturing Co.)
West Quincy, Missouri;)

Respondent.)

Proceedings under Section)
3008 of the Resource)
Conservation and Recovery Act)
of 1976, as amended, 42 U.S.C.)
§§ 6901 et seq. and)
Section 325 of the Emergency)
Planning and Community)
Right-to-Know Act of 1986, as)
amended, 42 U.S.C. §§ 11001 et seq.)

Docket Nos. VII-92-H-0008
and VII-93-T-499-E

First Modification to
Consolidated
Consent Agreement and
Consent Order

FIRST MODIFICATION

TO CONSOLIDATED CONSENT AGREEMENT AND CONSENT ORDER

This modification is made to the Consolidated Consent Agreement and Consent Order ("Consent Order") filed in this matter on March 4, 1993.

WHEREAS, the United States Environmental Protection Agency ("EPA"), Region VII, and the Respondent, The Knapheide Mfg. Co. ("Knapheide"), on March 4, 1993 entered into a Consolidated Consent Agreement and Consent Order contemplating the performance of certain supplemental environmental projects at the Respondent's facility located at West Quincy, Missouri;

WHEREAS, catastrophic flooding occurring during 1993 resulted in the Respondent ceasing operations at the West Quincy,

Missouri facility and moving those operations to Quincy, Illinois at a temporary location, with plans to relocate those operations in Quincy, Illinois at a permanent location;

WHEREAS, in order to allow the Respondent to perform environmentally beneficial supplemental projects under the Consent Order, and in response to the changed circumstances;

NOW, THEREFORE, EPA and the Respondent mutually agree to the following modifications to the Consent Order:

1. The Respondent shall not submit an Environmental Audit Plan, conduct an Environmental Audit, or submit an Environmental Audit Report for the West Quincy, Missouri facility as provided in the Consent Order.

2. Within 60 calendar days of the effective date of this Modification, Respondent shall submit to EPA descriptions of the following identified SEPs, which EPA considers are potentially eligible for offset under Section III.E. of the Consent Order, either as performed or to be performed in the future. The descriptions shall include a cost estimate/budget, implementation schedule and statement of environmental benefits for such projects:

- a. A SEP to examine the environmental impact of the flood on the West Quincy, Missouri facility. An initial examination of the facility indicated above-ground fuel and product tanks which were damaged during the flood. The SEP will remove these non-waste containing tanks and remediate environmental damage, if any, which may be discovered during the SEP examination, and which may have been caused by

releases from these tanks during the flood. A SEP to address any other environmental impact of the flood on the West Quincy, Missouri facility identified through this SEP examination shall be included in the SEP Report (hereinafter defined) to be submitted to EPA for consideration under Paragraph 5 of this Modification Agreement.

b. A SEP identifying the activities performed by the facility prior to the flood, either on or off the facility premises, to prevent or minimize the environmental damage from the flood to the West Quincy, Missouri area, provided that any activities aimed at minimizing such environmental damage are beyond good management practices. These activities shall be documented in a report provided to EPA with appropriate financial documentation of the costs therein.

c. A SEP to install and use waste minimization or pollution prevention equipment in the existing facility in Quincy, Illinois that reduces the discharges from the painting process more than required by the appropriate state regulatory agency.

d. A SEP to examine technologies previously not used by the Respondent for use in the permanent facility to be located in the Quincy, Illinois area. This SEP shall include pollution prevention and waste minimization components provided the goal of the minimization project is to minimize discharges more than required by the appropriate state regulatory agency.

3. Within 60 calendar days of the effective date of this Modification Agreement, Respondent shall submit to EPA a Supplemental Environmental Project Investigation Plan ("SEP Plan") for Respondent's facilities located or to be located in the Quincy, Illinois area. The SEP Plan shall be designed to identify environmental improvements that may be made in addition to those that are submitted above. The SEP Plan shall be completed by one or more independent third parties with no affiliation or financial interest in the Respondent or any parent, subsidiary or affiliate thereof. The SEP Plan shall provide:

- a. a statement of the qualifications of the Respondent's project officer;
- b. a cost estimate/budget for the SEP Plan, SEP investigation and SEP Report;
- c. a schedule for the performance of the SEP investigation; and
- d. the procedures that will be followed during the investigation and developing the SEP Report, described below.

4. Upon EPA approval of the SEP Plan, Respondent shall conduct a SEP investigation of the facilities by fully implementing the approved SEP Plan in accordance with the schedule set forth therein. The approved SEP Plan, inclusive of any modifications, shall be incorporated into and become a part of this Order. The SEP Plan, SEP investigation and SEP Report shall have an offset ratio of 60:100; that is, for every dollar

spent on the SEP Plan, SEP investigation and SEP Report, sixty cents shall be credited against the outstanding balance of the civil penalty. EPA and Respondent agree that \$37,176.21 in qualifying expense for the Plan has been expended as of the effective date of this Modification Agreement.

5. Within 60 calendar days after completion of the activities specified in the SEP Plan, Respondent shall submit to EPA a SEP Report ("SEP Report"), which shall include the following information:

- a. a description of the facilities and current compliance status of Respondent's operations at the facilities, including identification of waste streams, emissions and current releases to all environmental media at the facilities;
- b. each Federal, State or local environmental law or regulation identified as being applicable to the facilities; and each instance of noncompliance with Federal, State or local environmental laws or regulations resulting from or due to Respondent's operations at the facilities, including identification of the law or regulation, the area in the facilities where the noncompliance occurred, the dates of the noncompliance, and any other relevant or appropriate information regarding the noncompliance, including but not limited to a schedule and plan for coming into compliance the performance of which shall be a binding obligation of the Respondent under this Modification Agreement; and

c. any other information which, in the judgment of the investigator, merits review or comment, including any recommendation as to suggested improvements and/or modifications which could be made to Respondent's procedures or its facilities to facilitate compliance with environmental laws and regulations or benefit the environment independent of regulatory status, including descriptions of any projects which may constitute SEPs, including a cost estimate/budget and statement of environmental benefits for such SEPs.

6. The parties agree that the SEPs identified pursuant to Paragraphs 2 and 5(c) above shall be treated as if submitted to EPA in the Environmental Audit Report described in the Consent Order pursuant to the process described in Paragraphs 14 through 18 of the Consent Order, and shall contain information sufficient to enable the parties to further evaluate, detail, implement and determine the appropriate offset ratio for credit against the civil penalty.

7. Respondent shall provide access to EPA to the Quincy, Illinois facility as provided under Paragraph 36 of the Consent Order.

8. Commencing thirty (30) days after the effective date of the Modification Agreement, Respondent shall submit to EPA a progress report summarizing Respondent's activities during the thirty (30) day period following the effective date of this Modification Agreement.

9. Thereafter, commencing with the first full calendar quarter following the effective date of this Modification Agreement and within 14 days following completion of the preceding quarter, Respondent shall submit to EPA a quarterly progress report summarizing Respondent's activities during said preceding quarter regarding the closure plan, SEP plan, SEP investigation, SEP Report, and SEPs, including a statement of qualifying expenses, detailed monthly at Respondent's option, for offset under Section III.E. of the Consent Order.

10. Within 30 days of completion of each SEP, including the SEPs submitted pursuant to Paragraph 2 of this Modification Agreement, and including the SEP Plan, SEP investigation and SEP Report taken together as a single SEP, Respondent shall submit to EPA a Completion Report summarizing the activities performed for each SEP and certifying completion of those activities.

11. Unless otherwise directed, Respondent shall continue to provide all notices, submittals, coordination and reporting to EPA required under the Consent Order to the Region VII contact identified in the Consent Order and, with respect to the West Quincy, Missouri facility to the Missouri Department of Natural Resources as identified in the Consent Order. All notices, submittals, coordination and reporting with respect to the Quincy, Illinois facilities, shall be provided to Dan Punzak, Permit Engineer, division of Air Pollution Control, Illinois Environmental Protection Agency, 2200 Churchill Road, Springfield, Illinois 62794-9276, in addition to the Region VII contact identified in the Consent Order.

12. All written documents and notices to be submitted to Respondent pursuant to the Consent Order shall be directed to Gerry Korb, as indicated in the Consent Order, with a copy to Sandra L. Oberkfell, Esq. at an address to be supplied by Ms. Oberkfell for such submittals.

THE PARTIES AGREE that this Modification Agreement is effective when signed and executed by both parties and so ordered by the Regional Judicial Officer below, and shall be incorporated into and become part of the Consent Order.

For the Respondent:

2/14/95
Date

Gerry Korb, VP of Ops
The Knapheide Mfg. Co.

For the Complainant:

2/8/95
Date

Karen A. Gourney
Art Spratlin, Director
Air, RCRA and Toxics Division

1/26/95
Date

R.W. Richards
Robert W. Richards
Office of Regional Counsel

It is so ordered.

Robert J. Patrick
Robert J. Patrick
Regional Judicial Officer

March 8, 1995
Date

CERTIFICATE OF SERVICE

I hereby certify that the foregoing First Modification to Consolidated Consent Agreement and Consent Order dated March 8, 1995 was sent this day in the following manner to the below addressees:

Hand delivery to:

Venessa R. Cobbs
Regional Hearing Clerk
U.S. Environmental Protection
Agency, Region VII
726 Minnesota Avenue
Kansas City, KS 66101

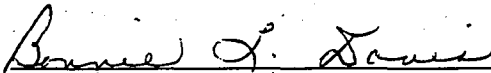
Copy by Regular Mail to:

Administrative Law
Judge:

Judge Daniel M. Head
Administrative Law Judge
U.S. Environmental Protection
Agency
401 M. Street, S.W.
Mail Code A-110
Washington, D.C. 20460

Attorneys for
Respondent:

Sandra L. Oberkfell, Esq.
Rudnick & Wolfe
203 N. LaSalle Street
Chicago, Illinois 60601


Bonnie L. Davis
U.S. Environmental Protection
Agency, Region VII

Dated: 3/8/95